

COMMITTEE REPORT

MR. PRESIDENT:

The Senate Committee on Insurance and Financial Institutions, to which was referred House Bill No. 1555, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

1	Page 2, line 15, delete ".".	
2	Page 2, line 15, reset in roman "obtained for the employee".	
3	Page 2, line 16, reset in roman "by the employer".	
4	Page 4, between lines 29 and 30, begin a new paragraph and insert:	
5	"SECTION 4. IC 27-1-3-15, AS AMENDED BY P.L.268-1999,	
6	SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE	
7	JULY 1, 2001]: Sec. 15. (a) Except as provided in subsection (g), the	
8	commissioner shall collect the following filing fees:	
9	Document	Fee
10	Articles of incorporation	\$ 350
11	Amendment of articles of	
12	incorporation	\$ 10
13	Filing of annual statement	
14	and consolidated statement	\$ 100
15	Annual renewal of company license	
16	fee	\$ 50
17	Withdrawal of certificate	
18	of authority	\$ 25
19	Certified statement of condition	\$ 5
20	Any other document required to be	

1 filed by this article \$ 25

2 (b) The commissioner shall collect a fee of ten dollars (\$10) each
3 time process is served on the commissioner under this title.

4 (c) The commissioner shall collect the following fees for copying
5 and certifying the copy of any filed document relating to a domestic or
6 foreign corporation:

7 Per page for copying As determined by
8 the commissioner but not to exceed actual cost

9 For the certificate \$10

10 (d) Each domestic and foreign insurer shall remit annually to the
11 commissioner for deposit into the department of insurance fund
12 established by IC 27-1-3-28 three hundred fifty dollars (\$350) as an
13 internal audit fee. All assessment insurers, farm mutuals, fraternal
14 benefit societies, and health maintenance organizations shall remit to
15 the commissioner for deposit into the department of insurance fund one
16 hundred dollars (\$100) annually as an internal audit fee.

17 (e) Beginning July 1, 1994, each insurer shall remit to the
18 commissioner for deposit into the department of insurance fund
19 established by IC 27-1-3-28 a fee of thirty-five dollars (\$35) for each
20 policy, rider, and endorsement filed with the state. However, each
21 policy, rider, and endorsement filed as part of a particular product
22 filing and associated with that product filing shall be considered to be
23 a single filing and subject only to one (1) thirty-five dollar (\$35) fee.

24 (f) The commissioner shall pay into the state general fund by the
25 end of each calendar month the amounts collected during that month
26 under subsections (a), (b), and (c).

27 (g) The commissioner may not collect fees for quarterly statements
28 filed under IC 27-1-20-33.

29 **(h) The commissioner may adopt rules under IC 4-22-2 to**
30 **provide for the accrual and quarterly billing of fees under this**
31 **section."**

32 Page 6, between lines 26 and 27, begin a new paragraph and insert:
33 "SECTION 6. IC 27-2-20 IS ADDED TO THE INDIANA CODE
34 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
35 JULY 1, 2001]:

36 **Chapter 20. Disclosure of Nonpublic Personal Financial**
37 **Information**

38 **Sec. 1. As used in this chapter, "person" has the meaning set**

1 **forth in IC 27-1-2-3.**

2 **Sec. 2. A person may not disclose any nonpublic personal**
 3 **information to a non-affiliated third party in violation of Title V of**
 4 **the Gramm-Leach-Bliley Act of 1999, 15 U.S.C. 6801 et seq.**

5 **Sec. 3. The commissioner may adopt rules under IC 4-22-2 to**
 6 **implement this chapter. These rules:**

7 **(1) must be consistent with; and**

8 **(2) may not be more restrictive than;**

9 **the standards contained in 15 U.S.C. 6801 et seq.**

10 **Sec. 4. This chapter does not create a private right of action**
 11 **against any person.**

12 SECTION 7. IC 27-4-1-4.5 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 4.5. The following are
 14 unfair claim settlement practices **if the practice is committed**
 15 **flagrantly and in conscious disregard of this section or if the**
 16 **practice is committed with a frequency that indicates a general**
 17 **business practice:**

18 (1) Misrepresenting pertinent facts or insurance policy provisions
 19 relating to coverages at issue.

20 (2) Failing to acknowledge and act reasonably promptly upon
 21 communications with respect to claims arising under insurance
 22 policies.

23 (3) Failing to adopt and implement reasonable standards for the
 24 prompt investigation of claims arising under insurance policies.

25 (4) Refusing to pay claims without conducting a reasonable
 26 investigation based upon all available information.

27 (5) Failing to affirm or deny coverage of claims within a
 28 reasonable time after proof of loss statements have been
 29 completed.

30 (6) Not attempting in good faith to effectuate prompt, fair, and
 31 equitable settlements of claims in which liability has become
 32 reasonably clear.

33 (7) Compelling insureds to institute litigation to recover amounts
 34 due under an insurance policy by offering substantially less than
 35 the amounts ultimately recovered in actions brought by such
 36 insureds.

37 (8) Attempting to settle a claim for less than the amount to which
 38 a reasonable ~~man~~ **individual** would have believed ~~he~~ **the**

1 **individual** was entitled by reference to written or printed
 2 advertising material accompanying or made part of an
 3 application.

4 (9) Attempting to settle claims on the basis of an application
 5 ~~which~~ **that** was altered without notice to or knowledge or consent
 6 of the insured.

7 (10) Making claims payments to insureds or beneficiaries not
 8 accompanied by a statement setting forth the coverage under
 9 which the payments are being made.

10 (11) Making known to insureds or claimants a policy of
 11 appealing from arbitration awards in favor of insureds or
 12 claimants for the purpose of compelling them to accept
 13 settlements or compromises less than the amount awarded in
 14 arbitration.

15 (12) Delaying the investigation or payment of claims by requiring
 16 an insured, a claimant, or the physician of either to submit a
 17 preliminary claim report and then requiring the subsequent
 18 submission of formal proof of loss forms, both of which
 19 submissions contain substantially the same information.

20 (13) Failing to promptly settle claims, where liability has become
 21 reasonably clear, under one (1) portion of the insurance policy
 22 coverage in order to influence settlements under other portions
 23 of the insurance policy coverage.

24 (14) Failing to promptly provide a reasonable explanation of the
 25 basis in the insurance policy in relation to the facts or applicable
 26 law for denial of a claim or for the offer of a compromise
 27 settlement.

28 (15) In negotiations concerning liability insurance claims,
 29 ascribing a percentage of fault to a person seeking to recover
 30 from an insured party, in spite of an obvious absence of fault on
 31 the part of that person.

32 (16) The unfair claims settlement practices defined in
 33 IC 27-4-1.5."

34 Page 6, line 39, after "but" delete ".".

35 Page 7, line 2, after "violation" insert ".".

36 Page 7, between lines 12 and 13, begin a new paragraph and insert:

37 "SECTION 9. IC 27-4-1-19 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 19. **(a)** The

1 commissioner shall, on an annual basis and in a manner determined by
 2 the commissioner, publish figures ~~indicating~~ **and produce a report**
 3 **containing the following information:**

4 (1) The ratio of valid consumer complaints lodged against each
 5 company weighted by the direct premiums earned in Indiana by
 6 each company.

7 (2) **A separate listing of any company determined by the**
 8 **commissioner to have committed a practice that is designated**
 9 **an unfair claim settlement practice under section 4.5 of this**
 10 **chapter if the practice is committed flagrantly and in**
 11 **conscious disregard of section 4.5 of this chapter or if the**
 12 **practice is committed with a frequency that indicates a**
 13 **general business practice.**

14 (3) Any enforcement action taken by the commissioner as a
 15 result of a practice described in subdivision (2).

16 (b) **The commissioner shall provide a copy of the report**
 17 **required under subsection (a) to the house of representatives and**
 18 **senate committees of the general assembly that are assigned**
 19 **responsibility for insurance issues."**

20 Page 7, line 34, delete "or "cancelled"".

21 Page 16, line 11, delete "the grievance is" and insert "**the insurer**
 22 **receives all information reasonably necessary to complete the**
 23 **review."**

24 Page 16, line 12, delete "filed."

25 Page 20, between lines 32 and 33, begin a new line block indented
 26 and insert:

27 "**(6) The covered individual requesting the external grievance**
 28 **review."**

29 Page 37, line 41, delete "commissioner of the Indiana department
 30 of insurance" and insert "**insurance commissioner"**.

- 1 Page 38, line 8, delete "commissioner of the Indiana department of
- 2 insurance" and insert "**insurance commissioner**".
- 3 Renumber all SECTIONS consecutively.
 (Reference is to HB 1555 as reprinted February 15, 2001.)

and when so amended that said bill do pass.

Committee Vote: Yeas 10, Nays 0.

Paul

Chairperson